

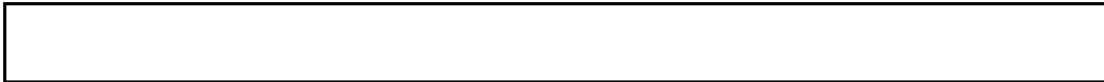
Paper prepared by C/SPD for Mr. [ ] use in briefing the DD/M&S who will in turn brief Mr. Colby (5 September 1973) . . .

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For a few moments I would like to address myself to some aspects of last year's reduction in strength and some of the side effects of that reduction. As some of you know and most of you have guessed, our reduction in FY-1973 was of considerably higher magnitude than it has been in previous years. In terms of percentage, our ceiling was reduced by 8.37% in FY-73 as compared to 2 to 2-1/2% for earlier years. When it became clear to us that a reduction of this scope was necessary, it also became painfully clear that normal attrition would not meet the goals. We were fortunate in that the 6.1% cost of living increase caused a good number of people to elect retirement, but even so we still had to go through the painful process of separating employees who would have preferred to remain. I believe and sincerely hope that we will not be required to go through such an exercise again. Now that is not to say that there will not be some elements in which attrition is insufficient to meet reduction goals and on a smaller scale some employees may need to be declared surplus. If it develops that a declaration of surplus is necessary at some time in the future, I am fully satisfied that the competitive review and comparative ranking processes which were used by the various career services last year are so structured that the most objective and fairest possible decisions are reached. We will, however, do everything possible to avoid the need for a declaration of surplus.

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In spite of our need to reduce the size of the Agency last year, it was possible to effect more promotions in FY-1973 than were made in the previous year. Specifically, there were 3621 promotions in FY-73, 58 of which were new supergrades, as contrasted to 3097 promotions in FY-72, 32 of which were new supergrades. The promotion percentages for these two years were



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While promotion is perhaps one of the most visible and tangible side effects of our recent reduction, there has been another effect which is equally favorable and important. There is very likely in the auditorium today a number of employees who have been advanced into more senior positions which were vacated on or before 30 June by someone who left the Agency. Our general practice of promotion from within results in a domino effect when a senior officer leaves. Perhaps the clearest example of that is my standing here today in the new job which I have been given.